

## Message Text

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ACTION ARA-14

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-03  
INR-10 NSAE-00 TRSE-00 XMB-02 OPIC-03 SP-02  
LAB-04 SIL-01 OMB-01 SS-15 STR-07 CEA-01 SSO-00  
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FM AMEMBASSY LIMA  
TO SECSTATE WASHDC IMMEDIATE 9097

C O N F I D E N T I A L LIMA 2152

E.O. 11652: GDS  
TAGS: EFIN, PE  
SUBJECT: MORALES BERMUDEZ COMMENTS ON IMF NEGOTIATIONS

REF: LIMA 1953

KAREN DE YOUNG, LA CORRESPONDENT FOR WASHINGTON POST,  
OUTLINED FOR ECONOMIC/COMMERICAL COUNSELOR AFTERNOON MARCH 10  
HIGHLIGHTS OF HER INTERVIEW MORNING MARCH 10 WITH PRESIDENT  
MORALES BERMUDEZ AS IT RELATED TO IMF NEGOTIATIONS. KEY POINTS  
ARE:

1. LINDA KOENIG, IMF TEAM LEADER FOR RECENT CONSULTATIONS,  
WILL NOT BE WELCOME TO RETURN TO PERU ACCORDING TO  
MORALES BERMUDEZ;
2. NO CHANGES IN PERUVIAN REGULATIONS ARE NECESSARY TO BRING  
PERU INTO COMPLIANCE WITH THE IMF STANDBY WITH RESPECT TO  
EXCHANGE RATE PROCEDURES, AS CURRENT REGULATIONS PROVIDE  
FOR A FREE FLOAT;

3. IMF IS ANACHRONISTIC INSTITUTION WITH LITTLE SENSITIVITY  
TO POLITICAL REALTIEIS OF DEVELOPING COUNTIRES SUCH AS PERU-  
BASIC CHANTES IN ITS STRUCTURE ARE REQUIRED FOR IT TO  
MEET PRESENT NEEDS;

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4. GOP SHOULD NOT BE DRIVEN INTO HARD ECONOMIC  
MEASURES WHICH WOULD RPERESS HUMAN RIGHTS AND IMPERIL  
PERU'S RETURN TO DEMORCATIC CIVILIAN RULE -- THIS WILL  
NOT HAPPEN SO LONG AS MORALES BERMUDEZ IS IN POWER;

5. ANY PROBLEM WHICH THE GOP MIGHT HAVE WITH THE IMF  
WILL PROBABLY WE WORKED OUT -- IN THE UNLIKELY EVENT

THAT THIS IS NOT POSSIBLE, THEN PERHAPS "THE BANKS"  
WILL HAVE TO BE APPROACHED "DIRECTLY" FOR NEEDED  
ASSISTANCE.

6. COMMENT: PRESIDENT'S REPLY ON EXCHANGE RATES, WHILE  
TECHNICALLY CORRECT, EVADED THE ISSUE  
OF THE INFORMAL "GENTLE'S AGREEMENT" WHICH  
OPERATES OUTSIDE " PERUVIAN REGULATIONS" TO HOLD THE  
OFFICIAL RATE AT 130 TO THE DOLLAR.  
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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PRESS CONFERENCES, NEGOTIATIONS, IMF DRAWING RIGHTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 10 mar 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Document Unique ID:** 00  
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**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Expiration:**  
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**TAGS:** EFIN, SOPN, PE, IMF, (MORALES BURMUDEZ CERRUTTI, F)  
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